(b) State Government of Kerala has taken necessary steps to make use of the Grant. Claims for an amount of Rs. 8.29 crores for reimbursement have already been submitted by Government of Kerala. All the details called for by ADB were submitted for availing the grant.

(c) In addition to the grant of US $23.80 million, ADB has provided a loan of US $ 32.45 million under the TEAP [Tsunami Emergency Assistance (Sector) Project] to Kerala. The agreement was signed on 12th May, 2005 and became effective *w.e.f.* 1st June, 2005. There is no proposal for grant pending with ADB.

Rate of interest on loans by banks

†1513. SHRI RAM JETHMALANI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Public Sector as well as private sector banks offer loans for various sectors and charge interest thereon; and

(b) the minimum and the maximum rate of interest fixed by banks for the year 2005-06 for different categories of loans, category-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. The Reserve Bank of India (RBI) has deregulated the interest rate on advances above Rs. 2 lakh *w.e.f.* October 18,1994. The Boards of the Banks have been empowered to decide the Benchmark Prime Lending Rate (BPLR) as also the spread over BPLR. The individual banks, therefore, determine interest rates to be charged to a particular borrower subject to the BPLR and spread guidelines. For credit limits up to Rs. 2 lakh, banks have been asked to charge interest not exceeding to their BPLR. Banks are free to charge interest on consumer loans/housing loans without reference to their BPLR.

The median lending rate for term loans in respect of public sector banks was 8.00-11.63 per cent in December, 2005 as against 8.38-12.00 per cent in March 2005 while it moved to 9.25-13.00 per cent in respect of private sector banks from 9.00-13.00 per cent during the same period.

Capital investment in foreign countries by mutual funds

†1514. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

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†Original notice of the question was received in Hindi.

(a) whether it is a fact that Government have allowed the mutual funds to go ahead with capital investment in foreign countries;

(b) if so, the percentage upto which these mutual funds would be free to invest in foreign countries; and

(c) the reasons for allowing these mutual funds to go for capital investment in the foreign countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Mutual Funds are permitted to invest in the countries with fully convertible currencies in (i) foreign debt securities with highest foreign currency credit rating, (ii) Government securities where the countries are AAA rated, and (iii) equity of listed overseas companies which have shareholding of an at least 10% in an Indian company listed on a recognized stock exchange in India. The overall cap on investment in ADRs / GDRs issued by Indian companies and foreign equity and debt securities in US $1 billion. A Mutual Fund can invest up to 10% of its net assets subject to a minimum of US $5 million and a maximum of US $ 50 million. The Union Budget for 2006-07 has proposed further liberalization of norms for investment by Mutual Funds in foreign countries.

(c) This is a measure to liberalise the Exchange control regulations relating to capital account transactions.

Payment of bonus on Monthly Income Schemes of Post Offices

1515. SHRI KARNENDU BHATTACHARJEE:
SHRI LALIT SURI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have discontinued the payment of bonus on maturity of Post Office Monthly Income Schemes;

(b) if so, the details thereof and the reasons therefor;

(c) whether other rules relating to MIS and other investment schemes for the small investors have also been amended; and

(d) the likely impact of the proposed measure on the growth of small savings by medium and small investors and steps proposed to be taken in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. No bonus shall be paid on the deposits made in the accounts opened on or after 13.2.2006 under the